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STATE OF MARYLAND



PUBLIC SERVICE COMMISSION

December 1, 2015

Senator Thomas McLain Middleton
Chairman, Senate Finance Committee
Miller Senate Office Building, 3 East Wing
11 Bladen Street
Annapolis, Maryland 21401

Delegate Dereck E. Davis
Chairman, Economic Matters Committee
House Office Building, Room 231
6 Bladen Street
Annapolis, Maryland 21401

Re: *Final Report and Recommendations of the PSC Technical Staff in Maryland Public Service Commission Public Conference 39 to Review Withdrawals of Regulated Retail Telecommunications Services and Rate Increase Notifications*

Dear Chairmen Middleton and Davis:

In accordance with § 2-1246 of the State Government Article, *Annotated Code of Maryland*, enclosed is the Final Report and Recommendations of the PSC Leader ("Report") in Maryland Public Service Commission ("Commission") Public Conference 39.

On July 22, 2015, the Commission initiated Administrative Docket – Public Conference 39 (PC39) to solicit comments to review whether and how a telephone company should be authorized to withdraw a regulated retail service in Maryland, as required under Chapter 250 of 2015. As part of Public Conference 39, and also as required by Chapter 250, the Commission also requested information concerning rate change notifications commonly provided to customers and related consumer complaints.

After receiving comments over the summer and fall, Staff undertook its own analysis, studied a diverse array of state actions on the topic, and reviewed two Orders recently published by the Federal Communications Commission ("FCC").¹ The Technical Staff submitted a non-consensus Report of findings and recommendations to the Commission on November 25, 2014. The Report recommended:

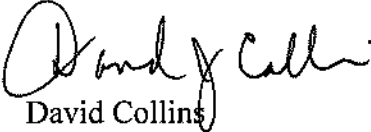
¹ The Orders address the issues of copper repair and replacement with fiber, and battery back-up requirements for fiber based services.

1. that since current deregulation activities have successfully improved competition in Maryland, subject to appropriate consumer and regulatory notifications, withdrawal of any detariffed service other than basic local service, 911, and inmate calling should be allowed without prior Commission approval; and
2. that current customer rate change notifications are adequate in conveying pertinent information to customers, and that no regulatory policy changes to rate change notifications are required at this time.

The Commission has not evaluated, addressed, or decided to support any of the recommendations of the Technical Staff's report. Although neither the Technical Staff nor the Commission recommend legislation at this time, the Commission looks forward to continuing to inform the General Assembly on these issues.

Please feel free to contact the Commission with any questions or if the Commission may be of further assistance.

By Direction of the Commission,



David Collins
Executive Secretary

DJC:lvs

Enclosure

cc: Senator Katherine Klausmeier
Delegate Sally Jameson
Tamela D. Burt
Robert K. Smith

**RETAIL SERVICE WITHDRAWALS
WITHIN THE TELECOMMUNICATIONS
INDUSTRY OF MARYLAND**

***ON BEHALF OF THE STAFF OF
THE PUBLIC SERVICE COMMISSION OF MARYLAND***

December 1, 2015

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Executive Summary

House Bill 472 (“Bill”) entitled “Telephone Companies – Streamlined Regulatory Requirements” was signed into law on May 12, 2015. The Bill required, in part, that the Maryland Public Service Commission (“Commission”) study the issues of retail telecommunications service withdrawals and the adequacy of customer notifications.

In order to comply with the directives of the Bill, the Commission convened Public Conference (“PC39”), and delegated the study to its Technical Staff (“Staff”). Staff conducted PC39 and undertook its own analysis, studied a diverse array of state actions on the topic, ranging from minimal deregulation to almost complete deregulation, and reviewed two orders recently published by the Federal Communications Commission (“FCC”) that address the issues of copper repair and replacement with fiber, and battery back-up requirements for fiber based services.

In this report Staff concludes that current deregulatory activities have successfully improved competition in Maryland and that further deregulation or detariffing may be appropriate in the near future; however, it is premature to completely deregulate the market, due to concerns about the provision of basic local telephone service (“BLS”) and 911 services. Staff also finds that current customer notifications are adequate in conveying pertinent information to customers, and that no regulatory policy changes to notifications are required at this time.

Introduction

The telecommunications industry is regulated through a combination of statutes and rules from Congress, the FCC, state public service commissions (“PSCs”), and state legislatures. PSCs are empowered by legislatures to develop and enforce the rules that apply to intrastate telecommunications. Historically, PSCs have complied with their statutory responsibility through rate of return regulation, tariffing, and monitoring of the industry. However, in the past few decades, as telecommunications technology and consumers’ needs have evolved, regulatory practices in the United States have changed from traditional rate of return regulation into alternative forms of regulation (“AFOR”), and in certain instances, into full deregulation designed to actively promote competition.

On February 8, 1996 President Clinton signed the Telecommunications Act of 1996 (“Act”) into law. A January 31, 1996 Conference Report to the House of Representatives described the purpose of the bill as “to provide for a pro-competitive, de-regulatory national policy framework designed to accelerate rapidly private sector deployment of advanced information technologies and services to all Americans by opening all telecommunications markets to competition”.¹ In short, the Act aimed to remove regulatory barriers in order to open up telecommunications markets to competition and technological advancement.

The regulatory framework established by the Act was very clearly geared toward intramodal competition through the fostering of competition between the incumbent wireline carriers, and the introduction of new competitive local exchange carriers (“CLECS”) into the market.

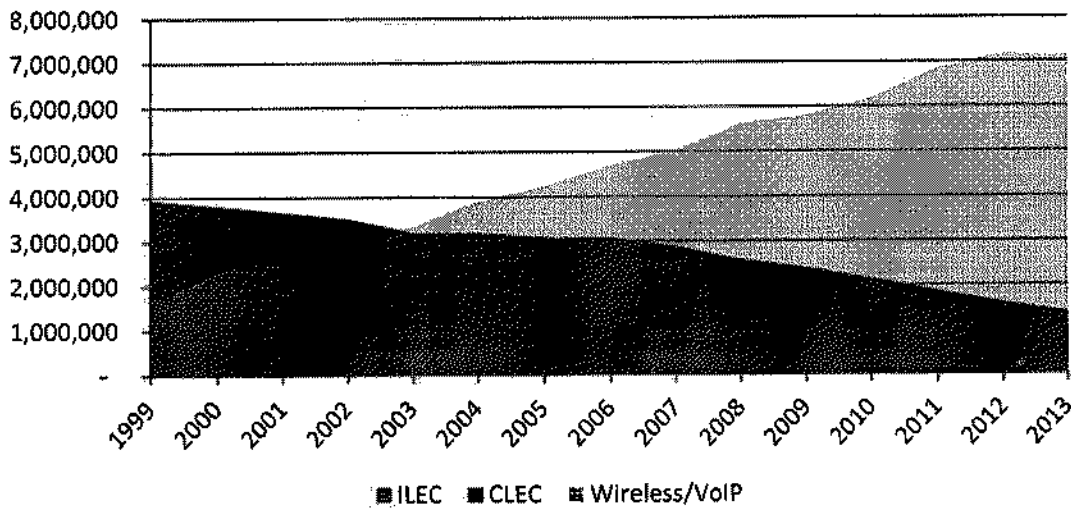
¹ Conference Report, Telecommunications Act of 1996, House of Representatives, 104th Congress, 2d Session, H.Rept. 104-458, at p. 1 <http://www.gpo.gov/fdsys/pkg/CRPT-104hrpt458/pdf/CRPT-104hrpt458.pdf>

However, the Act did not foresee the development of intermodal competition that resulted from the advent of new technologies. Shortly after the signing of the Act, the markets for wireless telephony and Voice Over Internet Protocol (“VoIP”)² entered a period of sustained growth that continues today.³

Using data from the FCC’s local telephone competition reports from 1999 through 2013⁴, Figure 1 shows that in 2002 there were about 1.6 million wireless and VoIP subscriptions in Maryland. By 2013, that number had more than quadrupled to 7.1 million subscriptions.⁵ Concurrently, the number of switched access lines served by Verizon dropped from 3.9 million in 2002, to less than 1.4 million in 2013.

Figure 1

Telecommunication Line Counts in Maryland



² VoIP has three primary categories; computer to computer, mobile-based, and hardware-based connections.

³ For example, voice and video services can now be provided using Internet protocol. While these services compete directly with regulated traditional voice and video services, they are usually treated as unregulated information services.

⁴ *Local Telephone Competition: Status as of December 31, 2002*, Industry Analysis and Technology Division, Wireline Competition Bureau, FCC, June 2003.

⁵ *Local Telephone Competition: Status as of December 31, 2013*, Industry Analysis and Technology Division, Wireline Competition Bureau, FCC, October 2014.

The introduction of CLECs to the market heralded a new phase of competition in telecommunications, but it was the expansion of wireless and VoIP subscriber lines that resulted in a telecommunications market that is more adept at self-correcting the market failures often associated with monopoly power, and is less reliant on regulatory bodies such as the Commission to operate efficiently. Thus, while there is a substantial body of rules and regulations that apply to the wireline portion of the telecommunications market today, the non-wireline portion of the market is fundamentally unregulated. Worse, this embedded asymmetry results in a regulatory framework in the telecommunications market that struggles to effectively respond to the exigencies of current market conditions.

The Commission and the State Legislature recognized the evolving nature of the telecommunications industry in Maryland when HB 472 became law. The Bill deregulated interexchange services completely, eliminated tariffing requirements for discretionary and competitive services,⁶ permitted the Commission to detariff all regulated service for smaller telephone companies (20,000 subscribers or less) and directed the Commission to investigate whether a telephone company should be authorized to withdraw regulated retail services, as well as whether any changes are necessary to current regulations regarding customer notice for rate increases to retail services.

This report distinguishes between the withdrawal of BLS and 911 services, and the withdrawal of all other retail services contained in Baskets 4 and 5 of Verizon's AFOR plan. Due to the

⁶ Discretionary and competitive retail services are defined as services included in Verizon's AFOR baskets 4 and 5. Discretionary services are services that are optional, nonessential enhancements to basic local exchange service. Competitive services are those for which the Commission has determined that market competition is an efficient regulator of price. A full description of the services in these Baskets is attached to this document as Attachment A.

large number of important issues and concerns specifically affecting BLS and 911 services, a distinction between the groups is necessary.

Withdrawal of Services

The Commission has been directed to “study whether and how a telephone company should be authorized to withdraw a regulated retail service in the State.” Currently, the Commission handles retail service withdrawal requests during Administrative Meetings. Carriers who want to withdraw a service must file a request with the Commission thirty days prior to the effective date of the withdrawal. The thirty day notice period is used to allow interested parties to file comments regarding the withdrawal. During the Administrative Meeting the Commission has the option to approve, reject, or set for hearing the withdrawal request.

On July 22, 2015, the Commission initiated PC39 to solicit comments from stakeholders on whether regulated retail services should be allowed to be withdrawn and in what manner, and delegated the study and report to the Staff of the Commission. Staff reviewed the public comments received from PC39, reviewed federal and state actions, and conducted its own analysis to form the basis for its conclusions. As mentioned above, Staff separated BLS and 911 services from other regulated retail services when considering retail service withdrawals.

Public Comment

In response to PC39, the Commission received comments from six stakeholders representing a wide range of perspectives. In reviewing the comments, Staff learned that recent regulatory actions by the legislature, the Commission, and the FCC have addressed many of the concerns expressed by the stakeholders. Below Staff presents summaries of all stakeholder positions.

Verizon submitted comments highlighting the market transition from regulated landline telephones to unregulated services. Verizon believes that the public has already chosen unregulated services as a viable alternative to plain old telephone service (“POTS”), as shown by the migration of customers towards wireless or fiber optic options. Furthermore, Verizon argues that alternative options are highly affordable, and points to the large number of adults living in poverty that currently rely on wireless telephones or other non-regulated services exclusively. Additionally, Verizon believes that carrier of last resort (“COLR”) obligations do not apply to them, as they are not part of Maryland law. As a result, Verizon argues that the Commission should reduce regulatory restrictions to allow regulated providers the flexibility to more quickly respond to shifting market conditions.

The Maryland Emergency Number Systems Board reminds the Commission of the importance of service quality for 9-1-1 service, and argues that changes that may lower quality of service can result in public safety issues.

Level 3 is particularly concerned with the impact service withdrawal could have on wholesale access. Competitive carriers like Level 3 use a combination of their own facilities and facilities maintained by the incumbent local exchange carrier (“ILEC”) to provide competitive service to their customers. Level 3 argues that a study on retail telephone service withdrawal should address post-retail withdrawal of “last-mile” facilities to avoid “stranded customers”.

AT&T suggests that Maryland take a streamlined approach to reduce or eliminate regulatory obstacles to withdrawing retail services, in order to allow carriers to allocate funds and time to improve and create new technologies. AT&T argues that customers purchase services and not facilities, and thus, the technology used to provide service should not matter as long as the services provided over fiber are functionally equivalent to the services provided over copper. Additionally, AT&T argues that COLR obligations are not necessary to ensure access to telecommunications services, and providers should be able to use the most efficient technology to serve customers.⁷

The Office of People's Counsel ("OPC") suggests that the Commission should prohibit the withdrawal of retail services or, at least, require Commission approval, due to the expenses that customers may experience if retail services are withdrawn, such as updating security systems and medical alert devices that may not work with non-copper wire lines and battery back-up systems. OPC proposes that a provider must show that the withdrawal protects customers and is in the public interest before the Commission permits withdrawal. Additionally, OPC argues that unregulated withdrawal of retail service over copper can represent a public safety hazard as copper lines are remotely powered and allow customers to place 911 calls even during a power outage. For these reasons, OPC argues that wireless service and other non-regulated services are not functionally equivalent to copper service, and thus withdrawal of basic local telephone over copper should not be allowed without regulatory oversight.

Communications Workers of America ("CWA") asks that a telephony company not be able to withdraw retail services that continue to have customers unless the Commission finds that the

⁷ Although AT&T does not have COLR obligations in Maryland, they maintain COLR obligations in other states.

withdrawal is in the public interest. CWA argues, “basic local service should be protected from withdrawal by a telephone company under any circumstances.” Additionally, the CWA proposes that the legislative process be used to ensure that BLS is not impaired or degraded, and that regulatory oversight be used to ensure that technology transitions are in the public interest until newer technologies are proven to have met the standards of an adequate substitute.⁸

Federal Action

In addition to reviewing the comments filed in PC 39, we reviewed two highly relevant, recently released FCC Orders. The *Transition Order* addresses the communications network transition from copper to fiber⁹ and the *Back Up Order* addresses the availability of battery back-up systems for telephone services.¹⁰ Both of these Orders create rules that apply to all carriers in all States. However, these Orders do not preclude a specific state commission from creating its own transition and battery back-up rules so long as the rule do not conflict with the Federal requirements.

FCC's Technology Transition Order

The FCC addresses the issue of copper replacement¹¹ from two perspectives. First, the *Transition Order* allows companies to use fiber as a fix for copper lines that have a history of reported

⁸ The Commission also received a Petition from CWA to investigate Verizon's service quality, and a letter in support of CWA's filing from Senator Mathias. Some of the issues contained in those filings are discussed in this report.

⁹ *In the Matter of Technologies Transitions, et. al*, GN Docket No. 13-5, et-al, Report and Order, Order on Reconsideration, and Further Notice of Proposed Rulemaking (rel. Aug. 7, 2015). (the “*Transition Order*”). Final Rules adopted in this order became effective on November 18, 2015.

¹⁰ *In the Matter of Ensuring Continuity of 911 Communications*, PS Docket No. 14-174, Report and Order (rel. Aug. 6, 2015).

¹¹ The purpose of this report is to study the withdrawal of retail telecommunications services in Maryland, and not technology transitions from copper to fiber within the telecommunications industry generally. However, the FCC

service quality issues. Effective November 18, 2015, carriers can begin to replace troubled copper with fiber without customer consent. However, since copper replacement requires that the carrier access the customer's premises, customers will be aware of any changes made to their service. As part of fiber as a fix, carriers will not remove the copper loop from the ground so that CLECs that want to continue providing copper service to those customers may do so.

Second, the FCC permits carriers to transition to an all fiber network without prior FCC approval so long as the change of technology does not discontinue, reduce or impair the services provided.¹² Once the copper for an entire central office is replaced with fiber, customers will no longer be able to receive BLS over copper, so the *Transition Order* institutes notice requirements to customers, interconnecting carriers, and regulators.¹³ Carriers will be required to provide functionally equivalent services, which the FCC is currently addressing as part of its Notice of Proposed Rulemaking ("NPRM").¹⁴ The NPRM proposes a definition of substitute services as services that provide similar network capacity and reliability; service quality; device and service interoperability, including interoperability with vital third party services (through existing or new devices); service for individuals with disabilities, including compatibility with assistive technologies; PSAP and 9-1-1 service; cybersecurity; service functionality; and coverage.

Orders discussed in this report, address some of the concerns expressed by PC39 participants, and are therefore necessary in addressing retail withdrawals.

¹² *Transition Order* at ¶5. Prior FCC approval is required before a provider may discontinue, reduce or impair a service used as a wholesale input when the carrier's actions will discontinue, reduce or impair service to end users. *Id.* at ¶102. There is one exception to this rule. The *Transition Order* states that "a carrier must seek our approval if its elimination of a wholesale service results in the discontinuance, reduction, or impairment of service to a community". (*Transition Order* at ¶101.)

¹³ 47 C.F.R. §51.332.

¹⁴ *Transition Order* at ¶208.

The *Transition Order* also establishes an interim rule¹⁵ ensuring that wholesale access is maintained with reasonably comparable rates, terms, and conditions, while the FCC develops policies to ensure rates are just and reasonable. Additionally, the *Transition Order* does not directly address any requirements regarding battery back-up during prolonged power outages. Instead, the FCC addresses those issues in the *Back-up Order*.

Back-up Order

The *Back-up Order* addresses the need for an alternative power source for fiber services. Telephone service provided over copper lines is powered from the central office, which allows customers to maintain service during power outages. In contrast, fiber is powered from the end-user's home, so end-users on service over fiber must have a back-up power source to maintain access to 911 and other telecommunications services during power outages. In the *Back-Up Order*, the FCC created standards for battery back-up that ensure that an appropriate amount of battery back-up is available to fiber customers during prolonged outages. Effective February 16, 2016, carriers will be required to provide an 8 hour battery back-up option to customers who switch to fiber. Effective February 13, 2019, carriers will be required to offer customers an option that provides 24 hours of back-up.¹⁶

Actions by Other States

Next, Staff reviewed the laws, rules and regulations other states have enacted to ensure public welfare during the telecommunications transition.

¹⁵ See, *Transition Order* at ¶131.

¹⁶ See, *Back-up Order* at ¶31.

In response to changing technology, 38 states have taken actions towards eliminating or limiting oversight of retail telecommunications services. Some states have fully deregulated telecommunications, while other states have instituted rules aimed at ensuring that the technology transition is systematic. Of note, several states have enacted competition thresholds that an area must meet before carriers of last resort are eligible to withdraw BLS. The competitive thresholds established by the states vary, but they all aim to maintain competitive service quality and pricing standards, while ensuring adequate access for all customers. Below, we discuss some of the varied approaches to withdrawal of retail telecommunications services.¹⁷

In **Ohio**, carriers may abandon services, not including BLS, to customers 30 days after notifying the Ohio Public Utilities Commission and all affected customers. However, in instances where no appropriate alternative service is available, customers may petition, and the Ohio PUC may compel the carrier to continue offering service.

In 2015, **Kentucky** passed legislation deregulating retail telecommunications services in exchanges serving 15,000 housing units or more. In these exchanges, carriers can use any technology or service to meet COLR obligations. Carriers must continue to provide wireline BLS to areas serving fewer than 15,000 housing units. Customers have the option to “trial” alternative services and may request the restoral of wireline BLS within 60 days.

In 2014, **Delaware** deregulated retail telecommunications services and eliminated COLR obligations, while maintaining minimal oversight of price and quality of basic service. BLS rates

¹⁷ A complete description of state’s deregulation legislation is provided in Attachment B of this report.

may increase by a maximum of 10 percent each year. The Delaware Commission maintains jurisdiction over complaints regarding quality or availability of local service.

In 2011, **Florida** fully deregulated telecommunications services through the Florida Regulatory Reform Act.¹⁸ The Regulatory Reform Act eliminated all regulatory oversight including with respect to customer complaints, COLR obligations, and BLS. The Florida Public Service Commission maintains oversight of wholesale issues and the telecommunications relay process.

In 2015, **Pennsylvania** reduced regulation through a Public Utilities Commission proceeding. The Pennsylvania PUC deregulated Verizon in areas deemed competitive, based on the availability of alternative services in each wire center. Pennsylvania maintains COLR obligations throughout the ILEC's service territory.

It is clear that there is no consensus between states on the best way to allow for service withdrawals of core services. Instead, each state institutes rules and thresholds that meet the needs of their population, geography, and telecommunication market.

Conclusions

Withdrawal of BLS and 911 services

Staff agrees with Verizon and AT&T that there has been an increase in market competition and a shift in consumer choice of telecommunications technology in the State, but also agrees with

¹⁸ 6 FL Chapter 2011-36, Florida Regulatory Reform Act (originally HB1231)

CWA and OPC that allowing the withdrawal of core services without prior Commission approval is premature at this time.

The FCC Orders address many of the concerns expressed by OPC, CWA, and Level 3. OPC and CWA's concerns of service quality comparability are addressed by the FCC's definition of functionally equivalent services and the *Back-up Order*. The FCC Orders also address Level 3's concerns regarding obligations towards wholesale customers.

However, competition has not developed equally throughout the State. In certain areas of the State, particularly sections of the Eastern Shore and Western Maryland, competition has not developed as effectively as in urban areas of the State. As a result, customers have limited alternatives to copper-based telephone services provided by the COLR. As highlighted by the Maryland Emergency Number Systems Board, access to 911 is essential to ensure the safety of all Marylanders. Thus, Staff believes that it is premature to allow carriers to withdraw BLS and 911 services at this time.

Finally, Staff disagrees with Verizon's and AT&T's assertions that COLR obligations do not apply in Maryland, and continues to believe that Verizon is obligated to provide BLS to all customers who request it.

Withdrawal of Other Retail Services

HB 472 detariffed regulated retail services included in Verizon's Basket 4 and 5. Additionally, the Bill detariffed all services functionally equivalent to Basket 4 and 5 services for all other

carriers, and gave the Commission authority to further detariff any services for carriers with less than 20,000 customers in the state.

According to economists Robert Pindyck and Daniel Rubenfield¹⁹, in a perfectly competitive market all firms are free to enter or exit the market, but no firm has an incentive to do so because all firms in the industry are earning zero economic profit.²⁰ While regulatory oversight is effective at eliminating many of the failures present in a monopolistic market, it fails to allow for free entry and exit to the market. As the telecommunications market becomes more competitive in Maryland, market failures begin to disappear, eliminating the need for certain types of regulatory oversight. Verizon and AT&T documented growth in Maryland competition through their comments in PC39. Staff concludes that eliminating barriers to exit for services deemed competitive enough to be detariffed is in the public interest.

Thus, Staff recommends that withdrawal of any detariffed service other than BLS and 911 services should be allowed without prior Commission approval, provided appropriate notice is given to the Commission and to affected customers. Staff believes that 30 day notice is appropriate for services that have active customers, and 14 day notice is appropriate for services with no active customers.

¹⁹ See, *Microeconomics* (Second Edition) by Robert S. Pindyck and Daniel L. Rubenfield at page 266.

²⁰ Economic profit is always equal to or lower than accounting profit. Accounting profit is defined as total revenue minus total costs. These costs, however, are all explicit from the accountant's perspective (i.e. observable cost to produce a good or service). In contrast, economic profit also takes into account all implicit costs which are the opportunity costs incurred by the firm. From the point of view of an economist a firm is only profitable if revenues cover all accounting costs and all opportunity costs.

Customer Notification

HB 472 directed the Commission to determine whether any changes are necessary to current regulations to ensure that customers are properly and conspicuously notified of a rate increase for a regulated retail service. As part of PC39, Staff requested that stakeholders provide sample bills showing rate change notifications commonly provided to customers. Staff received sample bill notifications from AT&T and Verizon.²¹

All Verizon bills contain a section labeled “Need-To-Know Information” that lists all changes to rates and billing, as well as any other appropriate or required information. This section is separate from the rest of the billing information and is bolded in an effort to attract the reader’s attention. Similarly, AT&T bills contain a separate, bolded section entitled “Important Information About Your Telephone Service”, that informs customers of any rate increases.

As part of its regular regulatory process, the Commission reviews and approves customer notices for rate increases, and ensures that all notices are conspicuously, clearly worded, and concise. Furthermore, the Commission’s Office of External Relations has not received any complaints regarding inappropriate notifications in the past two years. Staff continues to monitor any complaints relating to customer notices and welcomes any input or concern regarding notice in a specific bill. However, Staff believes that no changes to current regulations regarding customer notice are necessary at this time.

²¹ Redacted bills submitted by AT&T and Verizon are included in Attachment C.

ATTACHMENT A

**DESCRIPTION OF BASKETS IN VERIZON'S
ALTERNATIVE FORM OF REGULATION**

Staff proposes that offerings from Baskets 4 and 5 should be allowed to be withdrawn with proper notification to the customer and the Commission.

Basket 1
Basic Services – Residential
Denied Service Restoral Charge (Residence)
Economy Service
Long Distance Message Restriction
Residence Service Charges associated with Standalone Dial Tone Line
Standalone Residence Dial Tone Line
Residence Local Usage associated with Standalone Dial Tone Line
Tel-Life

Basket 2
Basic Services – Business/Other
911 Service
Standalone Business Dial Tone limited to 4 lines at a particular address
700/900 Audiotex Blocking
Business Local Usage (Not Unlimited)
Business Service Charges associated with Standalone Business Dial Tone Line limited to 4 lines at a particular address
Denied Service Restoral Charge
Home Business Service
Primary White Pages Listing (Business)
Verification/Interruption Operator Services

Basket 3
Switched Access Services
Switched Access (Other than High Capacity Service for Direct Transport)

Basket 4
Discretionary Services
Additional alternative number
Apartment Door Answering Service
Automatic Customer Trunk Testing
Business Traffic Study Service
Fixed Call Forwarding
Break Rotary Hunt
Call Gate
Call Mover
Central Office Data Sets
Centrex/DID Intercept

Concentrator-Identifier Equipment
Conference Service
Construction Charges
Custom Calling Services Residence and Single Line Business (other than speed dialing and repeat call)
Do Not Disturb
Duplicate Bill Charge
Easy Number Call Routing Service
Extended Basic Referral Service
Foreign Directory (including other Telco)
Four Wire Service Arrangements
Hot Line
Identified Outward Dialing
List Service
Long Distance Message Restriction (Business)
Make Busy Arrangements
Messaging Services Interface
Non-public, Non-List, Directory Service (Residential and Business)
PBX Night, Sunday and Holiday Service
Public Data Network Service
Remote Call Forwarding
Special Billing Numbers
Special Telephone Numbers
Split Referral Intercept Service
Suspend Service
Switched 56 Kilobit Service
Switched Redirect Service
Transfer Arrangements
Uniform Call Distribution
Warm Line

Basket 5
Competitive Services
Access Number Single Rate Service
ATM Cell Relay
Billing and Collection
Business Unlimited Local Usage
Business Service Charges associated with more than 4 Business Dial Tone Lines at a single location
Centrex Extend Service
Centrex Services (including Exchange Access)
Connect Request Service
Custom Call Services for multi-line businesses
Dedicated Wavelength Ring
DID Service
Distance Learning Service
Enhanced Dedicated SONET Service

Fast Packet Services
FlexGrow
Foreign Exchange Service (Residence and Business) ²²
High Capacity and DDS Special Access
High Capacity Private Lines and DDS Service
High capacity for Direct Transport Switched Access (includes Entrance and Direct Trunk Transport)
Internet Protocol Routing Services
ISDN (BRI & PRI)
Local and Toll Package
Local Directory Assistance (Residence and Business)
Lo-Cap Private Line
Lo-Cap Special Access
Message Toll Services
National 411
Operator Handled Charges
Packages/Bundled services
PBX Trunks
Preferred Telephone Number Service
Residence Service Charges associated with non-standalone service
Repeat Call
Shared Tenant Service Lines and Trunks
Speed Dialing
Standalone Business Dial Tone (more than 4 lines at a particular address)
WATS Service
Unlimited Local and Toll Usage for Business
Virtual Private Network Services

Basket 6
Miscellaneous Service and Elements/Other Wholesale Services
Co-carrier services governed by the Telecommunications Act of 1996 or other federal statutes, rules, or orders, associated interconnection agreements, and, where applicable, tariffs, e.g., Co-Carrier Interconnection, Unbundled Services, Primary Directory Listing for Other Telephone Companies, etc.
Collocation Services
COCOTS Lines

²² Residential Contiguous Foreign Exchange with unlimited intraLATA toll service is subject to specific pricing constraints in Verizon's AFOR.

ATTACHMENT B

**LIST OF ALL STATE LEGISLATION
AS COMPILED BY DR. SHERRY LICHTENBERG
FOR THE NATIONAL REGULATORY RESEARCH INSTITUTE²³**

²³ Lichenberg, S., PhD., Examining the Role of State Regulators as Telecommunications Oversight is Reduced. Report No. 15-07, August 2015, NRRI.

AL	Deregulated 2012: Muni bill S438 2015. https://legiscan.com/AL/text/SB438/ 2015 (failed)	Intrastate access	Intrastate access, wholesale	No oversight	Use any technology to provide svc.; carrier may drop COLR obligation	Petition commission	No oversight	No oversight	Sec 251/252	2015 - Remove restrictions on muni broadband
AK	Commission oversight retained;	Intrastate access, toll, basic service	Retail; intrastate access; wholesale	Continued oversight		Commission decision	Continued oversight	No oversight		May not regulate phonebook production and distribution.
AZ	Commission oversight retained; 2015 Rate Oversight SB 1098 (signed) https://legiscan.com/AZ/text/SB1098/ http://id/1200783/Arizona 4-2015-SB1098-Chaptered.html	Comm may conduct rate hearings	Rate increases for companies w >\$1M intrastate rev. may be approved by ACC w/o a hearing					Oversight continued		
AR	Deregulated 2013, Act 1098; https://legiscan.com/AR/text/SB948/ 2013	BLS, switched intrastate access	Basic local service; tariffs posted on website	No oversight	BLS must be tariffed			No oversight. Must contribute to USF	Sec 251/252	
CA	Deregulated 2012, SB 1161	Intrastate access	Basic Svc. headline	Landline oversight	VoIP and wireless providers may be FTCs headline quality only	Landline	Landline	No oversight except for ETCs	Sec 251/252	Commission has asserted jurisdiction over cable VoIP for svc quality; decision pending in open dockets

CO	<p>Deregulated 2014; 2015 - SB 271 eliminates role of Consumer Counsel in telecom cases (signed) https://legiscan.com/CO/text/SB271/ 2015</p>	BLS, Intrastate access, 911; svcs in non-competitive areas.	Basic svc	Basic Svc; reliability and availability of emergency svcs	Req in areas w/o competition where the requesting carrier receives HC support	Commission decision	Basic svc	No oversight except for emergency svcs	Sec 251/252	2015 - Consumer Counsel represents public in hearings on all matters except telecom.
CT(1)	<p>Commission Oversight Retained. (1994, PA 94-83)</p>	ILEC AFOR	Wholesale, Intrastate access	Provide "high quality technical service"	Ensure universal service availability	Commission decision	Provide "high quality customer service"	No oversight of VoIP or other IP-enabled svcs	Sec 251/252	
CT(2)	<p>SB 572, Establish the Office of Broadband Advocacy https://legiscan.com/CT/text/SB00572/2015y (failed)</p>									<p>Create Office of Broadband Advocacy to facilitate broadband access to every citizen and increase access adoption of ultra-high-speed gigabit networks.</p>
CT(3)	<p>PURA Docket 15-04-35, http://www.dpuc.state.ct.us/docket.html s/8e6fc37a54110c3e852576190052b64d21beee53e3f0a2e85257e590062d435?OpenDocument</p>									<p>Review requirements for Frontier AFOR, including potential deregulation</p>

DC	Retains commission oversight (landline)	Basic Service, including TDM provided over fiber	Verizon AFOR	Wireline service quality standards under AFOR	Must provide BLS	Petition commission	Retains complaint jurisdiction	DC Code §34-403, IP and VoIP "shall not be regulated by the Commission."	Sec 251/252	Formal case 1102 reviewing copper to fiber transition and quality of service for copper
DE	Deregulated 2014	BLS rate may increase 10%/yr	No oversight	No oversight	No oversight	No COLR reqs	Jurisdiction over adequacy of BLS	No oversight		
FL	Deregulated 2012	No oversight	No oversight	No oversight	No req.	No oversight; FCC Sec. 214 rules	Complaints to the Dept. of Consumer Affairs;	No oversight	Sec. 251/252; wholesale disputes	
GA	Deregulated 2012; 2015- HB 556; https://legiscan.com/GA/text/HB556/ 2015	Tariffs optional	Intrastate access; wholesale		COLR req for carriers that take SUSEF			No oversight		HB 556: All carriers contribute to USF; contrib based on connections OR % gross intrastate rev.
HI	Retains commission oversight; 2015 SB870 https://legiscan.com/HI/text/SB870/ d/1091166/Hawaii-2015-SB870-Introduced.html (deferred)					Svc may be disco'd for non-payment of telecom charges only, not ancillary svcs				SB 870 would have prohibited cramming

ID	Deregulated 2011; http://www.legislatre.idaho.gov/rdssta/Title62/162CH6S/ECT62-606.htm	Tariffs withdrawn; price lists on company website	No bus. reg.; no res. reg. in competitive areas	Consumer protection rules	No oversight in competitive areas	30 days notice to PUC and customers; customers may challenge	Resolve consumer complaints	VoIP is not a telecom svc; no oversight; No license or CPCN req	Sec. 251/252	2015 - SB 1105 - VoIP dereg. https://legiscan.com/ID/text/SB/1105/id/11413 80/Idaho-2015-SB1105-Introduced.pdf (failed)
IL	Deregulated 2010, PA 096-097; carriers select competitive status; 2015 - HB 3822, https://legiscan.com/IL/text/HB3822/ 2015	Intrastate access	Intrastate access; wholesale	No oversight of competitive carriers	Basic svc required but no rate reg.	May not file rate complaints agst competitive carriers	No VoIP oversight	Sec. 251/252	2015 - Prepaid wireless carriers must pay into the TRS fund ; IL Telecom Act sunsets 12/2015; extended	
IN	Deregulated; bills in 2012/2013/2014	No tariff reqs.	Intrastate switched access	No oversight	No COUR req.	Slamming/cramming only	No oversight, no internet tax regardless of FCC actions	Sec. 251/252	Prepaid wireless providers contribute to SUSP	
IA	Retains commission oversight	No rate regulation of VoIP; no retail tariffs	Wholesale; customer notice for price changes	Oversight retained		Complaints may be filed w IUB	VoIP subject to TRS and 911 assessments; providers must obtain CPCNs	Sec. 251/252	SSB 1157, Regulation study; https://legiscan.com/IA/text/SB/1157/id/1108702/Iowa-2015-SSB1157-Introduced.html (fail)	

KS	Deregulated 2012, SB 72, 2013, HB 2201	BLS; rural line charge may not exceed avg price in urban areas	Intrastate access	No oversight; including fraudulent practices	No obligation in urban areas	Single line res service req	May "administer complaints" but may not regulate	No oversight	Sec 251/252-wireline only
KY	Deregulated 2015; HB 152 https://legiscan.com/KY/bill/HB152/ 2015	Utility may withdraw tariffs	Retail svcs deregulated in areas w >15K housing units; no reg of svc rates, terms, conditions, or availability	Maintain existing voice svc to meet FCC requirements. May develop ETC standards that meet FCC reqs. Requirements for BLS only	No BLS obligation in locations w/o existing svc. Carrier may offer voice svc using any tech. Cust may request landline BLS after 60 day trial of alt svc. Comm may enforce this req.	New landline service not req. in areas w >15,000 homes. May transition landline to other service.	Adjudicate carrier to carrier complaints, Assist in resolving customer complaints, (No definition provided.)	No oversight	Sec. 251/252
LA	Deregulated; General Order R-31839 (2014)	Competitive svcs deregulated; pricing on co. website	Basic Service	No oversight in competitive areas	No req when competitive line share reaches 25%		No oversight	No oversight	Sec 251/252

ME (1)	LD 992, https://legiscan.com/ME/text/LD992/id/1173850/Maine-2015-LD992-Introduced.pdf (failed)	Wireless and broadband	PUC may establish svc standards and fine wireless and BB providers for svc quality violations	N/A	N/A	Investigate/resolve cust complaints re wireless and BB	Oversight of BB providers would include VoIP.	N/A	May enact "major substantive rules" for wireless and BB providers. Assess suppliers to fund oversight activities. Assessments go into special fund
ME (2)	Commission oversight; 2015-LD 1302, https://legiscan.com/ME/text/LD1302/id/1198123/Maine-2015-LD1302-Introduced.pdf (signed)	Basic Svc.	Standards for COLR svc. Back up power req removed.	HFC COLR req ends 12/31/15. PUC may designate new COLR. Carrier may refuse.	No COLR req where 94% of population has access to 1 wired and 1 wireless provider	Complaints for COLR svc only	No oversight contribute to SUSF	Voice network provider offers ability to make and receive calls using the PSTN using any technology. No back up power req. USF contribution req sunsets 2021	

<p>MD</p>	<p>2015 - HB 472, http://imgaleg.maryland.gov/webmgafirmMain.aspx?pid=billpage&stab=02&id=HB0472&tab=subject3&ys=2 015RS (signed)</p>	<p>No tariffs for bundled or discretionary svcs. Company w <20,000 users may petition not to file tariffs.</p>	<p>Commission may issue orders to regulate companies that are not req to file tariffs.</p>	<p>Oversight as defined in company AFOR.</p>	<p>Defined by AFOR</p>	<p>Commission to study and recommend process for withdrawing svc by 9/1/15</p>	<p>Oversight continues; by 9/1/15 determine how consumers should be notified of svc withdrawal</p>	<p>No oversight (2008)</p>	<p>Sec 251/252</p>	<p>Definition: a telephone company "owns" lines for local service. By 9/1/15, PUC to determine which svcs from companies w/o AFOR are discretionary and competitive services.</p>
<p>MA</p>	<p>Commission oversight retained</p>							<p>No oversight</p>		

MI	Initially deregulated 2011 (PA 58); additional dereg 2014 (Public Act 52); https://legiscan.com/MI/bill/SB0636/2013	Tariffs optional; access restructuring fund created	BLS, intrastate access, wholesale; no rate regulation	Wireline BLS only; may withdraw BLS 1/1/17. All FCC Transition Trial rpts submitted to FCC must also be submitted to PUC; Quality standards for payphone providers	May withdraw COLR svc 1/1/17; PSC may look for another COLR; if no other qualified provider, may order ILEC to continue svc; no USF support for carriers that do not offer BLS; may not create USF fund for COLR svc.	Provide 90 days notice; follow FCC rules based on transition trials; PUC may investigate alt suppliers using any technology. May withdraw toll svc if 1 alt supplier; may withdraw BLS if 2 alt suppliers; after 2017, file state discount notice at same time as Sec 214 app.	BLS only; cust may complain that no COLR available; PUC may investigate	No oversight	Sec. 251/252	Competition defined as 2 alt. carrier using any technology and providing "comparable svc." Comparable svc = any svc that provides 2 way call completion, including wireless and VoIP. PUC maintains database of alt suppliers. After 1/1/17, only 1 alt provider required
MN (1)	Commission oversight retained and extended to VoIP; 2015 - SF 1862 (failed in committee); https://legiscan.com/MN/text/SF1862/1d/1173858/Mione soia-2015-SF1862-Introduced.pdf/HF 1558	Tariff req for basic service; rates frozen to 1/2016; 60 day notice req.	Basic local service.	Investigate complaints about the adequacy of services	No BLS rate increase until 1/1/2016, then limited to 10% per year	Investigate complaints including call completion complaints; notice to company req for BLS complaints.	Oversight of all wireline providers; VoIP/cable/packet defined as telecom. See Docket 14-383 (5-10-15)	LEC may stop accepting traffic for non-payment if no dispute filed	Call completion required. Comm may investigate/enforce. Intermediate providers must register	

MIN(2)	SF 736, Competitive market regulation; https://legiscan.com/MN/text/SF1862/id/1173858 . (failed)	Intrastate access	Competitive carriers may drop AFOR and other agreements	Wireline BLS	Wireline BLS	Wireline BLS	Wireline BLS, access disputes; intercarrier disputes	Initial bill removed oversight of VoIP. Amended to remove that language.	Sec 251/252	Competitive carrier = facilities owner offering svc to 50% of households, incl VoIP and wireless but not satellite, resellers, or resale CLECs. ILEC competitive if serves <50% or proves 2 alt. suppliers. Comm may re-examine criteria.
MS	Deregulated 2012, HB 825	Intrastate switched access	No req.	COLR/BLS withdrawn			Access complaints; contracts	No jurisdiction over VoIP, broadband	Enforce federal reqs. Sec. 251/252	"Competition adequately protects the public interest."
MO	Deregulated 2011; HB339T	No tariffs; rates on company website	May elect exemption from all rules (FCC and State) governing retail svc.	No obligation in St. Louis, St. Louis County, Kansas City	FCC reporting reqs. (NORS)		Companies may exempt themselves from consumer reqs.	No oversight	Sec. 251/252	

MT	Deregulated 2011; SB 246	AFOR plans must produce fair, just, reasonable rates	Carriers petition for alt. reg. plans	AFOR should not degrade service quality				VoIP jurisdiction uncertain	Sec. 251/252	2015 HJ7. Study NG 911 https://legiscan.com/MT/text/HJ7/id/120121 9/Montana-2015-HJ7-Enrolled.pdf
NE	Deregulated 2011;	Publish rates and terms on company website	BLS where no competition	Regulated	No explicit COLR reqs.	Commission oversight	No jurisdiction over VoIP, IP, broadband	Sec. 251/252	2015, LB 652, Study NG 911; https://legiscan.com/NE/text/LB652/id/1081 812/Nebraska-2015-LB652-Introduced.pdf	
NV	Deregulated 2013; AB 486	No tariffs; rates on company website; basic svc req removed	Intrastate access	No oversight	COLR req removed where another carrier offers service using any technology	No oversight	No regulation; VoIP providers contribute to 911, TRS, other funds	Wholesale quality standards and metrics optional	2015 - SB 112 wholesale metrics optional (signed) https://legiscan.com/NV/text/SB112/id/1201804/Nevada-2015-SB112-Engrossed.pdf	

<p>NH</p>	<p>Deregulated 2014, 2015 HB 1314; SB 260 https://legiscan.com/NH/text/SB260/ 2015</p>	<p>BLS</p>	<p>Regulate providers with respect to basic service and emergency svcs.</p>	<p>Regulate quality and reliability to ensure 911 availability</p>	<p>Basic svc regulated even when provided with non-reg features</p>	<p>May investigate adequacy of systems to provide emergency svc</p>	<p>No jurisdiction over VoIP, IP, broadband</p>	<p>Sec. 251/252</p>	<p>Protect infrastructure in case of bankruptcy of landline carrier; commission must approve sale, transfer, lease of assets of ILEC</p>
<p>NJ (1)</p>	<p>Outage Refunds, A1971. https://legiscan.com/nj/gists/search?state=NJ&bill=A1971 (pending)</p>	<p>(2015) Carrier shall proactively adjust bill for outages >24 hours, includes VoIP providers</p>	<p>Commission decision</p>	<p>Commission decision</p>	<p>Commission decision</p>	<p>Respond to complaints re quality of svc</p>	<p>No VoIP oversight</p>	<p>Sec 251/252</p>	<p>Define competitive svcs based on ease of mkt entry, other providers, availability of like or substitute svcs; BPU may redefine if necessary. Continue to provide Lifeline and pay into TRS</p>
<p>NJ (2)</p>	<p>Initial deregulation of competitive svcs 2008, added dereg svcs 2013, 2015 - Stipulation, Case NJAC 1:1-19, naming all Verizon services competitive</p>	<p>Remove rate regulation of res. BLS, 1-line bus svc, install chgs, directory assistance</p>	<p>No oversight of competitive svcs, including res. BLS</p>	<p>Quality standards to apply for 3 years</p>	<p>BLS rate increases capped for 5 years; no specific COLR regs.</p>	<p>Commission decision</p>	<p>Commission decision</p>	<p>Commission decision</p>	<p>Commission decision</p>

<p>NM</p>	<p>Commission oversight retained;</p>	<p>Basic svc., intrastate access, Lifeline ETCs, rate increases req 60 days notice</p>	<p>Basic svc in areas w/o competition = Competition = areas where > 50% of customers do not take BLS. Separate res/bus designation</p>	<p>Reasonable quality standards, limited enforcement</p>	<p>May not declare carrier a COLR. No COLR in areas w effective competition</p>	<p>Resolve BLS consumer protection issues. No pricing oversight. Dereg carriers not exempt from Unfair Practices Act other consumer protections</p>	<p>No oversight</p>	<p>Sec 251/252</p>	<p>2015 - SB 193. Reduce PRC jurisdiction (failed). https://legiscan.com/NM/text/HB442/id/1159304/New_Mexico-2015-HB442 Comm Sub-pd f (Similar bill failed in 2014) Apply rules for mid-sized carriers (<50K access lines) to large carriers.</p>
<p>NY(1)</p>	<p>Commission oversight retained; 2015, A02118, Omnibus Telecom Reform Act of 2015 https://legiscan.com/NY/text/A02118/id/1076575/New_York-2015-A02118-Introduced.html</p>	<p>Study wireless svc quality and provide reqs. Study telecom svc quality and provide reqs.</p>	<p>Take complaints regarding cable cos. Determine whether new complaint process req.</p>	<p>Req inter-connection of cable facilities w other providers.</p>	<p>Create a BB fund. Create a SUSF. Statewide cable franchising. Merger oversight. Report to eval the impact of selling telecom systems.</p>				

NY(2)	SB4888, Telecom Mergers, https://legiscan.com/NY/text/S04888/id/1213179/New_York-2015-S04888-Introduced.html	Sale or transfer of LEC assets must maintain or improve quality of service	Oversight of mergers/sales/transfers for companies w/ >\$200M rev					
NY(3)	S2502 3rd party charges https://legiscan.com/NY/text/S02502/id/1095412/New_York-2015-S02502-Introduced.html		AG investigates cramming complaints	Customer must affirmatively authorize 3rd party charges; 3rd party verification req				
NY(4)	A1946 Universal Service https://legiscan.com/NY/text/A01946/id/1074610/New_York-2015-A01946-Introduced.html			Create a high cost fund				
NY(5)	S01680, Outage Reporting, https://legiscan.com/NY/text/S01680/id/1073814/New_York-2015-S01680-Introduced.html	Report outages impacting 100 lines and lasting more than 24 hours to PSC						

OH	<p>Deregulated 2013 SB 162; 2015 HB64 Rules for service discontinuance, Budget, https://legiscan.com/OH/bill/HB64/2015</p>	<p>BLS, 911, intrastate access, pole attachment s, access to conduit tariffed</p>	<p>BLS, IAS</p>	<p>Ensure adequate voice service to all citizens using any technology</p>	<p>BLS does <u>not</u> include svc to which cust is transitioned after withdrawal of wired svc; no oversight of transitional svc; BLS is not synonymous w/ voice svc</p>	<p>30 days notice to PUC and customers to abandon svc entirely. May not withdraw or abandon BLS. FCC decision overrides state rules. 120 days notice req. See Section 4927.07 Ohio Code, http://codes.ohio.gov/orc/4927.07</p>	<p>Res cust may petition PUC to stop svc withdrawal if no alt svc available. If no other willing provider is available, PUC may req withdrawing co to continue svc.</p>	<p>No oversight</p>	<p>Sec. 251/252</p>	<p>PUC must adopt rules to implement HB64, including svc withdrawal, based on collaborative discussions w carriers/others. Collaborative process to determine areas where customers will have no alternate svc available. PUC may extend BLS req for affected customers for 12 months while searching for alt supplier.</p>
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OK	Deregulated 2013/2014 via commission action.	No tariffs required	Basic svc; intrastate access	No oversight	BLS in areas w <75K lines	Commission oversight	No oversight	Sec 251/252	2015 - SB672, OUSF https://legiscan.com/OK/text/SB672/id/1165237 Oklahoma -2015-SB672-Engrossed.pdf Collect OUSF fees from pre-paid wireless providers
OR	Deregulated 2005 (http://www.oregonlaws.org/ors/759.036); 2015 - HB 2351, https://legiscan.com/OR/text/HB2351/2015	Carriers file price lists for compet svcs	Intrastate access; non-competitive svcs	Comm may create QOS rules (http://www.oregonlaws.org/ors/759.450)	COLR obligation retained except in areas that contract w an alt supplier	Commission oversight	VoIP providers contribute to 911; no decision on VoIP regulation. Deregulation bills have failed.	Sec 251/252	Increase 911 contribution

<p>PA</p>	<p>Deregulated in part; Act 183 (2004) created process for id'ing and deregulating compet svcs; 2015 Order - competitive svcs dereg in CO's w competition; PA PUC Hearing Order, Docket P-2014-2446304, http://www.puc.state.pa.us/about_puc/search_results.aspx</p>	<p>No retail oversight in areas determined to be competitive; no tariff req.</p>	<p>Intrastate access, wholesale; no BLS rate reg in competitive areas</p>	<p>5 year waiver of QOS reqs in competitive wire centers; Comm retains authority to review QOS, removes specific standards</p>	<p>Retains COLR obligation in entire territory</p>	<p>File application under Sec 214 to abandon copper</p>	<p>Retain consumer complaint procedures</p>	<p>No oversight; Internet Freedom Act</p>	<p>Sec 251/252</p>	<p>Deregulates VZ in areas the PA PUC deems competitive. Retains slamming/cramming rules; other consumer protections, including truth in billing reqs.</p>
<p>RI</p>	<p>Deregulated 2011 S0265;</p>	<p>BLS, Intrastate access</p>	<p>BLS using any technology; rate must match traditional svcs.</p>	<p>Wireless BLS must meet wireline standards</p>	<p>BLS req.</p>	<p>AG may enforce consumer complaints</p>	<p>No oversight</p>	<p>Sec. 251/252</p>	<p>2015 - H 5685; https://legiscan.com/RI/text/H/5685/id/11437 20/Rhode_Island-2015-H5685-Introduced.pdf Adds wireless phones to telecom equip program (TEP)</p>	

SC	Deregulated; 2015 - S 277, State Telecom Equity in Funding Act, http://www.scstatehouse.gov/sss121-2015-2016/preves/277_20150226.htm	Intrastate access. No oversight for competes incl BLS	Basic Svc. Rates may be increased w/o PUC review for 5 years from date carrier is deregulated	COER must meet SQ rules	May use any tech to meet COER reqs. including stand alone BB. Only COLRs receive US funds. Cust may petition Comm to receive BLS. Comm may order LEC to provide if no other supplier	Provide written notice to customer 90 days before terminating svc. Must inform cust that he may complain to Comm.	Svc discontinuance if no other supplier available	No oversight. VoIP carriers must contribute to TRS on the same terms as wireline	Sec. 251/252	Wireless carriers, including prepaid, must contribute to TRS. USF report to Legislature in 2017
SD	Deregulated	BLS; intrastate access	BLS		BLS in areas w/o competition	Disco of non-competitive svc req comm approval. Comm notice for disco of competitive service		No VoIP oversight	Sec. 251/252	
TN	Deregulated 2013, SB 1180	No tariffs; CPCN req removed	None	No oversight			No oversight	No VoIP oversight	Sec. 251/252	Carriers self-designate as competitive

TX	Deregulated 2013; SB 0098DF	No tariffs; carriers may withdraw/c hg tariffs; no cost supp req.	No reg in areas w 2 unaffiliated carriers, svc using any technology	No oversight	No req in competitive areas	No oversight	Gives Comm jurisdiction over VoIP; reg. all providers that "hold themselves out to provide telecom svc"	2015 - HB 2650 Gives Comm jurisdiction over VoIP; reg. all providers that "hold themselves out to provide telecom svc" https://legiscan.com/TX/text/2015/HB2650/ /1158239/Texas-2015- HB2650- Introduced.html (pending)
UT	Deregulated 2005; updated 2010, SB 229	BLS	BLS, intrastate access	Commission oversight	Commission oversight	Commission oversight	No VoIP oversight	Sec 251/252

VT	<p>Commission Oversight retained; 2015 - H0117, Create Department of Telecommunications Access, https://legiscan.com/VT/text/H0117/hd/1193988/Vermont-2015-H0117-Engrossed.pdf</p>			<p>Req ILEC to petition the Public Service Board for high cost funding. Unallocated funds will be transferred to a broadband fund; 45% of SUSF transferred to the high-cost fund; 55% to broadband fund.</p>	<p>Resolve customer complaints</p>	<p>No oversight</p>	<p>Sec. 251/252</p>	<p>Create a Dpt of Public Svc, with Commissioner appt by Gov. Provide USF support for BB providers in areas w/o competition. Study BB deployment. Create "Connectivity Fund." Create an advisory body to review broadband grant requests.</p>
VA	<p>Deregulated 2014, SB 584</p>	<p>Tariffs optional</p>	<p>Carriers may select reg as competitive</p>	<p>Ensure adequate voice service</p>	<p>BLS not required. COLR req if no other terrestrial or wireless options</p>			

WA	Commission oversight						<p>SB 5157, SUSF, https://legiscan.com/WA/text/SB5157/id/107 5221/Washington-2015-SB5157- Introduced.pdf . Providers may receive SUSF contributions if rates are above the Federal benchmark.</p>
WV	Commission oversight		No oversight of VoIP			<p>2015 - SB 576 An Act to Amend the code of WV, signed, https://legiscan.com/WV/text/SB576/id/1163 803/West-Virginia-2015-SB576- Enrolled.html</p>	
WI	Deregulated 2011; Act 22			LEC may apply to PUC to waive COLR obligation	No oversight of competitive svcs	No regulation of competitive svcs.	<p>Intrastate switched access</p> <p>Dept of Agriculture and Consumer Affairs</p> <p>No VoIP, Cable, BB oversight</p> <p>Sec. 251/252</p>

<p>WY(1) Deregulated; 2015 - Enrolled Act 26 (signed) https://legiscan.com/WY/bill/SF0043/2015</p>	<p>Switched access; essential svcs (BLS) in non competitive areas; no rate reg.</p>	<p>Essential svcs (BLS - single line voice only) in non-competitive areas.</p>	<p>BLS in non-competitive areas for carriers accepting HC funds</p>	<p>HC funds only in non-competitive areas; svc must exceed price benchmark of \$30</p>	<p>Commission approval req to discontinue non-competitive svc.</p>	<p>BLS - non-competitive areas; carrier to carrier disputes; quality of service</p>	<p>No oversight (Act 82, 2013)</p>	<p>Sec. 251/252</p>	<p>An areas is competitive based on availability of multiple suppliers incl satellite. Local exchange svc competitive if 75% of cust have access to 1 unaffiliated landline carrier. Service may be bundled. Act 26 externals repeat of telecom rules to 7/1/19.</p>
<p>WY(2) SF 140 (failed) https://legiscan.com/WY/text/SF0140/id/1097103/Wyoming-2015-SF0140-Introduced.pdf</p>					<p>Svc may be discontinued based on high cost or if substitute svc is less expensive; PUC approval req.</p>	<p>Complaints for BLS only</p>			

ATTACHMENT C

**VERIZON AND AT&T
REDACTED BILLS SHOWING RATE CHANGE NOTIFICATIONS**

Phone Number

Account Number

Page
2 of 3

Current Activity

Monthly Charges

1/1	1/31	Verizon Freedom Essentials	59.99
1/1	1/31	Call Block	5.00
1/1	1/31	In-Home Wire Maintenance	9.99
1/1	1/31	Verizon Long Distance Charges	2.00
		• VLD - International Flat Rate Plan	2.00
Monthly Charges Subtotal			\$76.98

Current Activity Total: \$76.98

Taxes, Governmental Surcharges and Fees

Federal Excise Tax	.38
MD Local Excise Tax	5.04
MD State Sales Tax	.50
MD 911 Fee	1.00
Telecommunications Access of MD Fee	.11

Total Taxes, Governmental Surcharges and Fees \$6.03

Verizon Surcharges and Other Charges & Credits

VLD Carrier Cost Recovery Charge	1.25
Federal Subscriber Line and Access Recovery Charge	0.61
Federal Universal Service Fee	4.35
VLD Long Distance Administrative Charge	.74
MD Gross Receipts Tax Surcharges	1.84

Total Verizon Surcharges and Other Charges & Credits \$14.89

Total New Charges \$98.40

Legal Notices

Payment by Check

Paying by check authorizes check processing or use of the check information for a one-time automatic fund transfer from your account. For all payments using bank account information, you may submit the information to avoid you automatic transfers or enable your future automatic payments to use the opt out, call 1-800-855-8388.

Late Payment Charges

To avoid a 1.50% late payment charge, payment must be received before January 31, 2016.

Service Location

See verizon.com/locations or visit us at 3000 W. 34th St., Philadelphia, PA 19178

Service Providers

Verizon has providers equipment, local calling and related features, other services, and FRS by service, unless otherwise indicated. Verizon Long Distance includes long distance calling and other services identified by "VLD" on the applicable bill. See also: Verizon Online Provider Internet Services, H2G World and FRS TV equipment. H2G is a registered mark of Verizon Intellectual Services LLC.

Bankruptcy Information

If you are or were in bankruptcy, our statement may include amounts for your bankruptcy costs. You should not pay pre-bankruptcy amounts. Call us for your information only. Mail bankruptcy-related correspondence to 200 Technology Drive, Suite 550, Western Spring, MD 20784.

You Can Block Third Party Billing to Your Verizon Bill

For more information, visit verizon.com/blocking or call us at 1-800-VIR2016.

Third Party Billing

We may allow third-party vendor billing. Use of billing of certain third-party vendor billing may be available.

Need-to-Know Information

Customer Proprietary Network Information (CPNI) Notice for Residential, Small and Medium Business Customers
CPNI is information that relates to the type, quantity, destination, technical configuration, location, amount of use, and billing information of your telecommunications or interconnected VoIP services. This information is made available to us solely by virtue of our relationship with you. The protection of your information is important to us. Under federal law, you have a right, and we have a duty, to protect the confidentiality of your CPNI.

We may use and share your CPNI among our affiliates and agents to offer you services that are different from the services you currently purchase from us. Verizon offers a full range of services such as video, wireless, internet, and long distance. Visit verizon.com for a complete listing of our services and companies.

For residential, small and medium business customers, you may choose not to have your CPNI used for marketing purposes described above by calling us anytime at 1-866-483-6900. When you call, please have your bill and account number available. Your decision about use of your CPNI doesn't affect our provisions of services to you or eliminate all Verizon marketing contacts.

Unless you call us at the number above, Verizon may use your CPNI to market different types of services beginning 30 days after the first time we notify you of the CPNI policy described above. You may elect at any time to add or revoke a restriction on the use of your CPNI. Your choice remains valid until you change your election by calling the number above.

Freedom and Regional Package Rate Increase
Effective March 21, 2015, pending approval from the Maryland Public Service Commission, the monthly rates for Verizon Freedom Essentials, Verizon Freedom Value, Regional Essentials and Regional Value will increase by \$2.00. Customers on a term agreement or with a sponsored rate period will not be affected. Visit verizon.com to review other available bundle options.

White Pages Residential Listings
Most directories delivered in Maryland no longer include residential listings; these listings are now available at verizon.com/whitepages. If you need white page residential listings, we can send you a copy on paper or a CD when the directory is distributed to your area. If you call 1-800-665-6448.

Changes to Directory Listing Services
Pending approval from the Maryland Public Service Commission, on March 21, 2015, the monthly rates are changing for the following services:

- Non-Published Service from \$3.25 to \$3.65
- Non-List Service from \$3 to \$3.45
- Additional Listing (including Foreign and Additional Service from \$2.75 to \$3

Did you know you can get business listings, coupons, deals, weather and more FREE with Verizon Visual 411? It's available three ways:

- On your smartphone, download Verizon Visual 411 from the App Store or Google Play
- From your FIOS TV dock, the Verizon Visual 411 widget
- On your PC or tablet, visit verizon.com/visual411

Visit verizon.com/visual411 to learn more about how you can enhance your voice, internet and television experience.

FUSF Surcharge Changes January 1, 2015
Your Federal Universal Service Fund (FUSF) surcharge may change on January 1, 2015. Authorized and renewed quarterly by the FCC, the FUSF funds programs to keep local telephone rates affordable for all

customers and provides discounts to schools, libraries, rural health care providers, and low-income families.

Surcharges

Surcharges include:

- a Federal Subscriber Line and Access Recovery Charge applicable to state-to-state and international services that helps pay for the costs of providing and maintaining the local phone network;
- a Federal Universal Service Charge applicable to state-to-state and international services to recover fees imposed on us by the government to support universal service;
- a Carrier Cost Recovery Charge applicable to long distance customers that helps defray our costs for terminating calls on other networks, fees paid to support government programs such as Telecommunications Relay Service and local number portability, and other Federal Communications Commission-assessed charges;
- a Long Distance Administrative Charge applicable to long distance customers to help defray account servicing costs for state-to-state and international calling;
- a Federal Regulatory Fee applicable to recover the costs per wire subscriber fee payment made to the FCC; and,
- a FUSF Administrative Charge applicable per FIOS Digital Voice line to help defray account servicing costs associated with providing voice service.

Please note that the surcharges are charges, not taxes. These charges, and what is included in those charges, are subject to change from time to time. For additional information regarding the charges on your Verizon bill, please visit verizon.com or call the number listed on your bill.

We Value You

Thank you for being a loyal Verizon customer! We sincerely appreciate your business and look forward to continuing providing you with the very best in entertainment. Call us at 1-888-802-4376 to learn about new ways you can enjoy your services and save with Verizon.

YOUR BILLY STATEMENT

January 12 - February 11, 2015



[Redacted]

[PRINT FRIENDLY FORMAT](#)

[SAVE BILL](#)

[Contact Us](#)

[Help](#)

[Moving?](#)

SUMMARY OF CHARGES

Previous balance
Payment received Jan 26 - Thank you
AT&T Local Services
AT&T Long Distance Services

[Redacted]

Total amount due

Date due

March 8, 2015

YOUR SAVINGS AND BENEFITS

Never Mail Another Check to Pay Your AT&T Bill.
For the ultimate convenience, enroll in AT&T Automatic Bill Payment (ABP) and have your future payments automatically deducted from your checking account. To enroll, check the box and sign on the line on the back of the remittance coupon, and return with your payment. Or sign up for online billing to review and pay your bill each month by logging onto your AT&T Online Billing account at www.att.com/remitdoc.

EXTRA BONUS!

Need to pay your bill quickly?

By using AT&T's free automated system, you can make your bill paying easier! Just dial 1.800.288.2747 and pay your bill today!

Dial 1.800.CALL.ATT for Collect calls

1.800.CALL.ATT for Collect calls is one flat rate, 24 hours a day, every day. Dial down the center 1.800.C-A-L-L-A-T-T (1.800.225.5288).

BENEFITS

AT&T Online Billing Gives You More

Sign up for AT&T Online Billing and say good-bye to paper bills. You'll receive an online statement that you can view 24/7, in addition to enhanced features such as Call Sorting and your choice of convenient billing options, including Automatic Bill Pay. You can even print out any of your statements, whenever you like. Signing up is quick, easy, and totally free. Just visit www.att.com/customerservice and free yourself from the hassle of paper bills.

PRODUCTS AND SERVICES

Your current products and services

Service type	Products	Comments
Local	Call Plan Unlimited 3 Features Enhanced	
Long Distance	AT&T Local Toll Service Plan	
	AT&T International AnyWhere™ Plan	

AT&T LOCAL SERVICES

Jan 12 - Feb 11, 2015

- [Basic service and calls](#)
- [Custom calling features](#)
- [Surcharges and other fees](#)
- [Government fees and taxes](#)

Total AT&T Local Services

If you have questions concerning your AT&T Services or bill, please visit att.com/localhelp for more information.

BASIC SERVICE AND CALLS

	Date	Description	Amount
1	<input type="checkbox"/> Feb 11 - Mar	10 Local number portability service charge	
2	<input type="checkbox"/> Feb 11 - Mar	10 Directory listing - standard	
3	<input type="checkbox"/> Feb 11 - Mar	10 Call Plan Unlimited 3 Features Enhanced	
4	<input type="checkbox"/> Feb 11 - Mar	10 Universal connectivity charge	
5	<input type="checkbox"/> Feb 11 - Mar	10 Subscriber line charge	
6	<input type="checkbox"/> Feb 11 - Mar	10 Local connectivity charge	

The Local connectivity charge is a monthly per line charge implemented to recover increased connectivity costs associated with providing local service in your state. For an explanation of this charge, please call 1 888 301-0390.

CUSTOM CALLING FEATURES

	Date	Description	Amount
7	<input type="checkbox"/> Feb 11 - Mar	10 Call block - 900/976	
8	<input type="checkbox"/> Feb 11 - Mar	10 Call waiting	
9	<input type="checkbox"/> Feb 11 - Mar	10 Three way calling	
10	<input type="checkbox"/> Feb 11 - Mar	10 Caller ID with name	
11	<input type="checkbox"/> Feb 11 - Mar	10 Call waiting ID	

SURCHARGES AND OTHER FEES

	Description	Amount
12	MO PSC Franchise Tax 2.04%	

\$1.03

GOVERNMENT TELEPHONE TAXES

For more information concerning your AT&T Local Taxes and Surcharges, please visit att.com/localhelp

Description	Amount
Federal tax	
State 911 Charge	
Local 911 charge	
Telephone Tax	
MD Universal Service Fee	

IMPORTANT INFORMATION ABOUT YOUR LOCAL SERVICE

AT&T Intrastate, interstate and international services are provided by AT&T Corp. To view service publications go to: www.att.com/servicepublications and click on Service Guides and/or Tariffs, Terms and Conditions governing any other de-tariffed and non-regulated services you may have are also available on this website. Terms and Conditions may change from time to time. These Terms include provisions regarding how to resolve any dispute you might have, and include an ARBITRATION CLAUSE. You should review the Terms on a regular basis.

Federal regulation requires AT&T to inform our valued customers that basic local service will not be disconnected for the non-payment of non-regulated service charges (e.g. Wireless, voice mail, inside wire maintenance plan). To avoid collection activity, please remember to pay all charges by the due date.

AT&T LONG DISTANCE SERVICE

Jan 12 - Feb 11, 2015
Charges for 301 770-

Other charges and credits
Surcharges and other fees

Total AT&T Long Distance Services

OTHER CHARGES AND CREDITS

Date	Description	Amount
13 Jan 11 - Feb 10	Basic rate monthly charge	

SURCHARGES AND OTHER FEES

Description	Amount
14 <input type="checkbox"/> Universal connectivity charge For an explanation of this charge, please call 1 800 532-2021 or visit this website	
15 Carrier cost recovery fee Recovers cost to provide long distance service including regulatory fees, programs and connection & account servicing. It is not a tax or charge required by the government. For more information, call 1 800	